

# Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name City of Lansing, 54A-District Court	County Ingham
Audit Date 6/30/05	Opinion Date 11/9/05	Date Accountant Report Submitted to State: 1/18/06	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

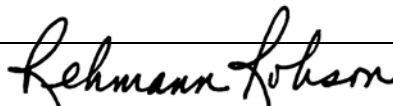
1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- |   |   |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).  |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).   |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).  |

We have enclosed the following:	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) REHMANN ROBSON GERALD J. DESLOOVER, CPA				
Street Address 5800 GRATIOT, PO BOX 2025		City SAGINAW	State MI	Zip 48605
Accountant Signature 			Date 1/18/06	

**CITY OF LANSING, 54A-DISTRICT  
COURT AGENCY FUND**

**(An Agency Fund of the  
City of Lansing, Michigan)**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE**

**For The Year Ended  
June 30, 2005**



**REHMANN ROBSON**

*Certified Public Accountants*

**CITY OF LANSING, 54A-DISTRICT COURT AGENCY FUND**  
**(An Agency Fund of the**  
**City of Lansing, Michigan)**

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**REHMANN ROBSON**

*Certified Public Accountants*

A member of THE REHMANN GROUP



**INDEPENDENT AUDITORS' REPORT**

November 9, 2005

Honorable Mayor and  
Members of the City Council  
City of Lansing, Michigan

We have audited the accompanying financial statements of the ***City of Lansing, 54A-District Court, an agency fund of the City of Lansing, Michigan***, as of and for the year ended June 30, 2005, as listed in the table of contents. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the financial statements present only the 54A-District Court and do not purport to, and do not present fairly the financial position of the City of Lansing, Michigan, as of June 30, 2005, and the changes in its assets and liabilities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position of the City of Lansing, 54A-District Court, an agency fund of the City of Lansing, Michigan, as of June 30, 2005, and the changes in assets and liabilities thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Lansing, 54A-District Court. Such information has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

The Court has not presented Management's Discussion and Analysis (MD&A) as required supplementary information. The GASB has determined that such information is necessary to supplement, although not required to be part of, the basic financial statements.

# **FINANCIAL STATEMENTS**

**City of Lansing 54A-District Court Agency Funds**  
Statement of Fiduciary Assets and Liabilities  
Agency Funds  
June 30, 2005

	<b>54-A District Court</b>		
	<b>Bail Bonds</b>	<b>Garnishment, Indemnity Bond and Restitution</b>	<b>Totals</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 65,000	\$ 15,000	\$ 80,000
Equity in pooled cash	209,417	14,092	223,509
Total assets	<u>\$ 274,417</u>	<u>\$ 29,092</u>	<u>\$ 303,509</u>
<b>Liabilities</b>			
Undistributed receipts	<u>\$ 274,417</u>	<u>\$ 29,092</u>	<u>\$ 303,509</u>

The accompanying notes are an integral part of these financial statements.

# City of Lansing 54A-District Court Agency Funds

## Statement of Changes in Fiduciary Assets and Liabilities

### Agency Funds

For the Year Ended June 30, 2005

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>54-A District Court - Bail Bonds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 65,000	\$ -	\$ -	\$ 65,000
Equity in pooled cash	<u>250,833</u>	<u>1,349,209</u>	<u>1,390,625</u>	<u>209,417</u>
Total assets	<u><u>\$ 315,833</u></u>	<u><u>\$ 1,349,209</u></u>	<u><u>\$ 1,390,625</u></u>	<u><u>\$ 274,417</u></u>
<b>Liabilities</b>				
Undistributed receipts	<u><u>\$ 315,833</u></u>	<u><u>\$ 1,349,209</u></u>	<u><u>\$ 1,390,625</u></u>	<u><u>\$ 274,417</u></u>
<b>54-A District Court - Garnishment, Indemnity Bond and Restitution</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 15,000	\$ -	\$ -	\$ 15,000
Equity in pooled cash	<u>24,179</u>	<u>158,568</u>	<u>168,655</u>	<u>14,092</u>
Total assets	<u><u>\$ 39,179</u></u>	<u><u>\$ 158,568</u></u>	<u><u>\$ 168,655</u></u>	<u><u>\$ 29,092</u></u>
<b>Liabilities</b>				
Undistributed receipts	<u><u>\$ 39,179</u></u>	<u><u>\$ 158,568</u></u>	<u><u>\$ 168,655</u></u>	<u><u>\$ 29,092</u></u>
<b>Total - All Agency Funds</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 80,000	\$ -	\$ -	\$ 80,000
Equity in pooled cash	<u>275,012</u>	<u>1,507,777</u>	<u>1,559,280</u>	<u>223,509</u>
Total assets	<u><u>\$ 355,012</u></u>	<u><u>\$ 1,507,777</u></u>	<u><u>\$ 1,559,280</u></u>	<u><u>\$ 303,509</u></u>
<b>Liabilities</b>				
Undistributed receipts	<u><u>\$ 355,012</u></u>	<u><u>\$ 1,507,777</u></u>	<u><u>\$ 1,559,280</u></u>	<u><u>\$ 303,509</u></u>

The accompanying notes are an integral part of these financial statements.

# CITY OF LANSING, 54A-DISTRICT COURT AGENCY FUND

## Notes To Financial Statements

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### 1. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Presentation**

The 54-A District Court is a district court for the City of Lansing under the State of Michigan Supreme Court System.

The accompanying financial statements have been prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis – for State and Local Governments: Omnibus – an Amendment of GASB Statements No. 21 and No. 34* and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. These statements establish standards for external financial reporting for state and local governments.

#### **Basis of Accounting**

The accounts of the Court are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, cash receipts and cash disbursements.

The funds of the Court are classified as agency funds, which are used to account for assets held by the Court as an agent for individuals, private organizations and/or other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurements of results of operations. The 54-A District Court has two agency funds, as follows:

#### *Bail Bond Fund*

This fund is used to hold cash received by the District Court for bail bonds.

#### *Garnishment, Indemnity Bond and Restitution Fund*

This fund is used to hold cash received by the District Court for garnishment payments until claimed, and to hold indemnity bonds deposited relating to civil disputes until the Court rules on the case.

#### **Cash and Equity of City of Lansing Pooled Cash**

All amounts classified as cash of the Court are held by local financial institutions. The carrying amount of the Court's cash deposits and equity in City of Lansing pooled cash was \$80,000 and \$303,509, respectively, at June 30, 2005.



# **CITY OF LANSING, 54A-DISTRICT COURT AGENCY FUND**

## **Notes To Financial Statements**

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Amounts shown as equity in City of Lansing pooled cash represent funds of the Court held in the City of Lansing's Treasurer's pooled cash account. Investment policies and risk categorization for the City's cash and investments are included in the City of Lansing's financial statements.

### **Operating Costs Paid by the City of Lansing**

Certain costs are not reflected in the accompanying financial statements as they were provided by the City of Lansing. These costs are included in the accompanying schedule of operating costs paid by the City.

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## **SUPPLEMENTAL INFORMATION**

**City of Lansing 54A-District Court Agency Funds**  
Supplemental Schedule of Operating Costs Paid by the City  
For the Year Ended June 30, 2005

**Revenue**

Contributions from the City of Lansing

**\$ 4,126,386**

**Expenditures**

Personnel services

\$ 3,542,848

Collection fees

157,471

Office supplies

117,873

Miscellaneous operating expenditures

116,190

Witness and jury fees

36,247

Contractual services

110,244

Conferences and workshops

916

Insurance and bonds

30,565

Repair and maintenance

5,260

Library

8,772

**Total expenditures**

**\$ 4,126,386**